

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT		1. CONTRACT ID CODE	PAGE 1 OF 6 PAGES
2. AMENDMENT/MODIFICATION NO. 0013	3. EFFECTIVE DATE November 24, 2004	4. REQUISITION/PURCHASE REQ. NO. N/A	5. PROJECT NO. (If applicable) N/A
6. ISSUED BY Defense Logistics Agency Defense Supply Center Philadelphia ATTN: DSCP-MGBA, W. DiLauro 700 Robbins Avenue Philadelphia, PA 19111-5096		7. ADMINISTERED BY (If other than Item 6) CODE SC0200	
8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)		(X)	9A. AMENDMENT OF SOLICITATION NO.
			9B. DATED (SEE ITEM 11)
		X	10A. MODIFICATION OF CONTRACT/ORDER NO- SP0200-04-R-1606
			10B. DATED (SEE ITEM 13) 29 April 2004
CODE	FACILITY CODE		

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☒ The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers ☒ is extended, ☐ is not extended.

Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning one copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. Accounting and Appropriation Data (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

(X)	A. THIS CHANGE IS ISSUED PURSUANT TO: (Specify authority). THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
	D. Other (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return _____ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

The closing date of the solicitation is extended to **November 30, 2004 at 3:00 PM**, local time. This Amendment must be acknowledged by the closing date and time and returned to the address listed on Page 2 of the solicitation. Facsimile acknowledgements are also authorized and should be submitted to (215) 737-9300, 9301, 9302 or 9303.

See Pages 2 through 6 of this amendment for changes to the solicitation.

Except as provided herein, all items and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

15A. NAME AND TITLE OF SIGNER (Type or Print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
(Signature of person authorized to sign)		BY (Signature of Contracting Officer)	

1. **FAR 52.216-21 REQUIREMENTS (Oct 1995).** The Note at the end of the clause, which is listed on page 183 of the solicitation, is hereby modified to include an additional exception. Replacement page 183 is attached to this amendment. The new added language is underlined.
2. **Upper Prairie Region.** All references to a Web-based ordering system cited in the Statement of Work are hereby deleted for the Upper Prairie region.
3. **Deletion of Marine Corps Preplanned Surge Line Items.** Reference is made to amendment #0008, which deleted all references to Marine Corps Preplanned Surge requirements from the solicitation. Based on the preceding, the Mid-Atlantic Region's line items #0006HA, #0006JA, #0006HB, #0006JB, #0006HC, #0006JC, #0006HD, #0006JD and the Tricare North Region's #0008HA, #0008JA, #0008HB, #0008JB, #0008HC, #0008JC, #0008HD, #0008JD, which are listed in the Schedule of Supplies/Services, are deleted in their entirety.
4. **Readiness Programs—Additional Note.** Statement of Work paragraphs 16(b)(v), 17(f) and 18(a)(vii) concerning the Army's Preplanned Surge, Air Force's Deferred Procurement and War Readiness Support programs, respectively, are revised to include the following Note concerning the required fill-rates for each program:

"Note. The fill-rate for orders under this program shall be 100%. In the event that item availability is impacted by DoD data integrity, supplier/industry capacity or similar issues, the PS shall coordinate with the DSCP Contracting Officer to identify strategies to achieve 100% fill rate within the delivery requirements of this program. Such strategies shall include, but are not limited to, item substitution, provision of equivalent items, quantity adjustment and other similar efforts. The DSCP Contracting Officer, in coordination with the ordering activity, reserves the right to make the sole determination as to which strategy(ies) to employ, if any, on a case-by-case basis. The provisions of this Note supplement the provisions of subparagraphs in this paragraph that address fill-rate, exceptions and/or verification and substitution. The provisions of this Note identify additional responsibilities of the PS and additional qualifications to the fill-rate requirement under this paragraph."

5. **Secondary Supplier Visits for CONUS and DSCP.** Statement of Work paragraph 13(e)(i) is revised to read as follows (the revision is underlined):

"(e) **SS Sales Representatives/Visits.**

(i) **CONUS and DSCP.** A representative of the SS shall make a visit to DSCP and each CONUS customer during the implementation period of the contract. In addition, a representative of the SS shall contact each CONUS customer telephonically once per quarter during the base ordering period and option periods, if exercised. On-site visits are not required. The SS shall provide a point of contact and telephone number to each of the MTFs, within 30 calendar days of award of the contract, to use for customer support problems. A summary list of these points of contact shall also be provided to the Contracting Officer within 30 calendar days of award of the contract, and any time thereafter that a change is made to this list."

6. **Implementation Period--Timeframe.** The time period between expiration of existing contracts and implementation of new contracts has been reduced to 60 days. Statement of Work paragraph 3(a) is revised to read as follows:

"(a) **Implementation Period.** The Government intends to make awards at least 60 calendar days prior to the expiration date of any existing contracts, or options thereof, which the new contract awards will replace. See Enclosure # 16 for the phase-in implementation schedule for each region. The period of at least 60 days between the contract award and the effective date of the contract (defined in Paragraph (b) below) is known as the implementation period.

During the implementation period, the incumbent Prime Vendor Supplier shall remain the principal source of pharmaceuticals for the region's MTFs. Conversion of each MTF, to include providing any necessary software and training to allow MTFs to use the contractor's ordering system, must be accomplished within the transition period. Failure to complete the conversion within the transition period may result in the contract being terminated for cause. Irrespective of how quickly the transition is completed, these contracts will not be effective until after the expiration of the current effected contracts."

Averaging of Price Offers. The calculation for determining an average Price Offer has been revised to limit the calculation to 11 DSCP Regions. The revised provision is as follows:

“Averaging of Price Offers.

It is the Government's intention to average the price offers of an offeror who has been selected for an award. The Government will make its award selections based on offerors' responses to our Request for Final Proposal Revisions. If an offeror is selected for award for more than one of the following DSCP Regions—Southeast, Gulf South, Southwest, Northeast, Mid-Atlantic, Heartland, Central, Upper Prairie, Northwest, Golden Gate and Southern California—and has cited different distribution fees for those regions, the Government will calculate an average distribution fee for all of the regions for which the firm has been selected as the awardee. Average fees will only be calculated for the regions' normal day-to-day requirements within the regions for which it has been previously selected for award. Separate average fees will be calculated for the base ordering periods and option ordering periods. The calculated average fee will be cited in the eventual contract awards in lieu of the offeror's final price offers. The Government will not calculate average fees for any of the Surge, Deferred Procurement Program or War Readiness Materiel requirements or Navy Fleet option within the regions that are awarded to an offeror. The Government believes that this will result in no net increase or decrease in overall costs to either the offeror or Government.

Example: An offeror submits the following final distribution fees for three of the regions cited in the solicitation and is selected for award of all three regions:

Regions	Value of Normal Day-to-Day Purchases Per Ordering Period	Ordering Periods							
		Base		Option 1		Option 2		Option 3	
		Fee (%)	Value of Fee (\$)	Fee (%)	Value of Fee (\$)	Fee (%)	Value of Fee (\$)	Fee (%)	Value of Fee (\$)
Southeast	\$ 595,000,000	-1.15	-6,842,500	-1.25	-7,437,500	-1.30	-7,735,000	-1.35	-8,032,500
TRICARE North	\$1,548,000,000	-2.50	-38,700,000	-2.60	-40,248,000	-2.65	-41,022,000	-2.70	-41,796,000
Golden Gate	\$ 110,000,000	-2.05	-2,255,000	-2.20	-2,420,000	-2.25	-2,475,000	-2.30	-2,530,000
Totals	\$2,253,000,000		-47,797,500		-50,105,500		-51,232,000		-52,358,500

The Average Fee for the base ordering period and the option ordering period would then be calculated separately using the following formula:

	<u>Total Value of Fee</u>	÷	<u>Value of Normal Day-to-Day Purchases</u>	=	<u>Average Fee</u>
Base Period:	-\$47,797,500	÷	\$2,253,000,000	=	-0.02122 or -2.12% (rounded)
Option Period 1:	-\$50,105,500	÷	\$2,253,000,000	=	-0.02224 or -2.22% (rounded)
Option Period 2:	-\$50,332,000	÷	\$2,253,000,000	=	-0.02234 or -2.23% (rounded)
Option Period 3:	-\$51,438,500	÷	\$2,253,000,000	=	-0.02283 or -2.28% (rounded)

Based on the above calculation for the Base Period, the Government would cite a contractual distribution fee of -2.12% for all three regions' normal day-to-day requirements in lieu of the -1.15%, -2.50% and -2.05% proposed by the offeror. For Option Period 1, the Government would cite a contractual distribution fee of -2.22% for all three regions' normal day-to-day requirements in lieu of the -1.25%, -2.60% and -2.20% proposed by the offeror. For Option Period 2, the Government would cite a contractual distribution fee of -2.23% for all three regions' normal day-to-day requirements in lieu of the -1.30%, -2.65% and -2.25% proposed by the offeror. For Option Period 3, the Government would cite a contractual distribution fee of -2.29% for all three regions' normal day-to-day requirements in lieu of the -1.35%, -2.70% and -2.30% proposed by the offeror. The Government will recalculate the average fee if one or more of the contracts are terminated or the options are not exercised on all contracts.

8. **Unliquidated Credit Account Balances.** The 181 day timeframe for refunding of unliquidated credits is revised to read 91 days in lieu of 181 days. SOW paragraph 14(c) is revised as follows:

“(c) Credit Accounts.

(iv) Unliquidated Credit Account Balances. The contractor shall report to the customer and the DSCP Contracting Officer the unliquidated credit account balance each month. In the event that any credit amount remains unliquidated for 91 calendar days the contractor shall refund this amount in the form of a check payable to the United States Treasury. The check shall be mailed to the DFAS office shown on the resulting award document; copies of the check or vouchers shall be provided to the DSCP Contracting Officer.

9. **Credit Account Reporting.** Section 14(c)(x) of the Statement of Work is revised as shown below. The changes are underlined.

“ 14(c)(x) Credit Account Reporting. For each credit account, the PV shall provide a monthly report detailing all activity in the MTF’s credit account during the reported period. The report shall be provided to the MTF and to the DSCP Contracting Officer in electronic format, and shall include the following fields:

Date
NDC (if applicable)
Dollar Amount
Contract Number
Call Number
Customer ID
Credit Memo Number
Type of Credit Code *
Reason for Credit
PV Comments/Notes

* The “Type of Credit Code” field will be populated with one of the following codes. The PV may propose additional codes, prior to utilizing the code, to the Contracting Officer.

CODE	REASON
DS	Credit resulting from DSCP Price Adjudication
MC	Manufacturer Credit
MR	Merchandise Return from MTF to PV
RB	Rebate
GR	Credit Processed from Guaranteed Returns
OR	Credit Processed from other Reverse Distributor
MI	Miscellaneous
XP	Purchase against Credit Account (Debit)
XG	Payment to Guaranteed Returns (Debit)
XR	Payment to other Reverse Distributor (Debit)
XM	Miscellaneous Debit Transaction

In addition to the above information, the monthly Credit Account report shall contain a summary for the reported month, showing at a minimum the following information:

Beginning account balance
Credits processed into account
Debits processed against account
Ending account balance

The report shall also summarize the amount of available credit broken down into the length of time the MTF has had the credit in their credit account (i.e. 0-30 days; 31-60 days; and 61-90 days) to assist the MTF in ensuring that they use the credit when it expires on the 90th day.

Note. The contractor is only required to forward information to the Government that is provided from manufacturers and pharmaceutical return companies. The contractor is not required to do any additional research or inquiries to obtain missing data.”

10. **Daily Price Files.** Statement of Work paragraph 5(a) Downloading of DSCP Pricing File—Mid-Month Changes is revised to include the following Note:

”Note. The Government intends, at some point during the base ordering period of the contract, to make available to the contractor a pricing file on a daily basis. The contractor will be expected to download the file daily.”

- 11. Additional Ordering/Delivery Locations.** The following locations are added to the regions cited below:

Northeast Region:

Ordering Point
USAMMA
1423 Sultan Drive, Suite 100
Ft. Detrick, MD 21702-5001
[DEA#DELETED]
DODAAC: W25MWY

Delivery Point
Army Pre-Positioned Program
Goose Creek, SC

Central Region:

Ordering Point
USAMMA
1423 Sultan Drive, Suite 100
Ft. Detrick, MD 21702-5001
[DEA#DELETED]
DODAAC: W25MWY

Delivery Point
Army Pre-Positioned Program
Hill AFB, Utah

- 12. Pricing of Army Preplanned Surge.** For purpose of contract pricing, the following types of orders are included as part of the listed regions' Army Preplanned Surge requirements:
- (i) Southeast Region—orders placed by USAMMA for delivery to Goose Creek, SC
 - (ii) Central Region—orders placed by USAMMA for delivery to Hill AFB, Utah
 - (iii) Northeast Region—orders placed by USAMMA orders for delivery to the Unit & Set Assembly Division at the Distribution Depot Susquehanna, PA
 - (iv) Southern California Region—orders placed by USAMMA for delivery to the Sierra Army Depot, CA.
- 13. Army Preplanned Surge—USAMMA Orders-Goose Creek, Hill AFB, Distribution Depot Susquehanna, Sierra Army Depot—Special Requirement.** The Army will require that orders placed by USAMMA for these locations to be held up to 30 days by the contractor before the contractor is to deliver the order to the listed location. At time of placement of the order, USAMMA will advise the contractor of the required delivery date.
- 14. Expiration Date/Shelf Life.** The required dating for orders placed by USAMMA, Ft. Detrick for Goose Creek, S.C. (Southeast Region/Tricare South Region), Hill AFB, Utah (Central Region/Tricare West Region), Susquehanna, PA (Northeast Region/Tricare North Region) and the Sierra Army Depot (Southern California Region/Tricare West Region) is changed to 12 months. Paragraph 9(g) of the statement of work is revised to read as follows:

”(g) Expiration Date/Shelf Life.

(i) **All orders Except (ii) and (iii) below.** The contractor shall provide only dated/shelf life products bearing an expiration date/shelf life with at least 6 months remaining upon delivery to the Government. For those products, which have an initial expiration/shelf life of 6 months or less, provide at least 75% of the dating.

(ii) **DSCP DVD (Northeast Region), Azores (Northeast Region), USAMMA order for Goose Creek, S.C. (Southeast Region/Tricare South Region), Hill AFB, Utah (Central Region/Tricare West Region), Susquehanna, PA (Northeast Region/Tricare North Region) and the Sierra Army Depot (Southern California Region/Tricare West Region)** The contractor shall provide only dated/shelf life products bearing an expiration date/shelf life with at least 12 months remaining upon delivery to the Government. For those products, which have an initial expiration/shelf life of 12 months or less, provide at least 75% of the dating.

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(f) Any order issued during the effective period of this contract and not completed within that period shall be completed by the Contractor within the time specified in the order. The contract shall govern the Contractor's and Government's rights and obligations with respect to that order to the same extent as if the order were completed during the contract's effective period; provided, that the Contractor shall not be required to make any deliveries under this contract after the next business day following expiration of the contract.

Note: In accordance with paragraph (c) of clause 52.216-21, the following limitations apply:

(a) the Government is not required to, but may place orders under this contract for items available from the Government's depot stock or available under the DSCP Medical Electronic Commerce Program or available under DSCP programs that support the Military Services' Readiness needs, including, but not limited to, DSCP Medical Vendor-Managed-Inventory contracts, DSCP Medical Corporate Exigency contracts etc.

(b) if the contractor cannot fill a routine order or an emergency order under this contract, the Government may place the order with another source.

(c) The Government is not obligated to place orders under this contract for items available from the Federal Prison Industries, Inc. and the Committee for Purchase from People Who Are Blind or Severely Disabled (See FAR 8.001, 8.6 and 8.7).

(d) Applicable to Secondary Supplier Contracts Only: The Government is not obligated to place an order under a region's secondary supplier contract, if any, unless the order cannot be filled by the Primary Supplier.

[X] 52.212-9000 *CHANGES-MILITARY READINESS* (MAR 2001) DLAD

The commercial changes clause at FAR 52.212-4(c) is applicable to this contract in lieu of the changes clause at FAR 52.243-1. However, in the event of a Contingency Operation or a Humanitarian or Peace Keeping Operation, as defined below, the contracting officer may, by written order, change 1) the method of shipment or packing, and 2) the place of delivery. If any such change causes an increase in the cost of, or the time required for performance, the contracting officer shall make an equitable adjustment in the contract price, the delivery schedule, or both, and shall modify the contract. The contractor must assert its right to an adjustment within 30 days from the date of receipt of the modification.

"Contingency operation" means a military operation that-

(i) Is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or

(ii) Results in the call or order to, or retention on, active duty of members of the uniformed services under 10 U.S.C. 688, 12301(a), 12302, 12304, 12305, or 12406, Chapter 15 of U.S.C., or any other provision of law during a war or during an national emergency declared by the President or Congress (10 U.S.C. 101(a)(13)).

"Humanitarian or peacekeeping operation" means a military operation in support of the provision of humanitarian or foreign disaster assistance or in support of peacekeeping operation under Chapter VI or VII of the Charter of the United Nations. The term does not include routine training, force rotation, or stationing. (10 U.S.C. 2302 (8) and 41 U.S.C. 259 (d) (2) (B)).

[X] 52.233-9001 *DISPUTES: AGREEMENT TO USE ALTERNATIVE DISPUTE RESOLUTION* (JUN 2001) DLAD

(a) The parties agree to negotiate with each other to try to resolve any disputes that may arise. If unassisted negotiations are unsuccessful, the parties will use alternative dispute resolution (ADR) techniques to try to resolve the dispute. Litigation will only be considered as a last resort when ADR is